

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AZTEC OIL & GAS COMPANY FOR
APPROVAL OF AN UNORTHODOX GAS PRO-
RATION UNIT IN THE EUMONT POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 762

APPLICATION

The undersigned Applicant, Aztec Oil & Gas Company, for itself and on behalf of Stanolind Oil and Gas Company, Makin Oil Company, A & M Oil Company, and Morris R. Antweil, respectfully petitions the Commission for the issuance of an order approving an unorthodox gas proration unit in the Eumont Gas Pool comprising the $S\frac{1}{2}$ of Section 35, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit A, and containing 320 acres, more or less.

In support of this application, Applicant alleges and states:

1. That Applicant and Stanolind Oil and Gas Company have heretofore drilled, in accordance with rules and regulations in effect at the time drilling operations were commenced, their State Unit "E" 1 Well located 990 feet from the West line and 990 feet from the South line of Section 35, Township 20 South, Range 37 East, said well being completed on April 1, 1954, as a commercial well productive of natural gas from the Queens sand.
2. That Applicant and the parties named above own all of the leasehold interest within the $S\frac{1}{2}$ of said Section 35, and said parties have agreed to pool and communitize their respective leasehold interests to form the gas proration unit herein requested.
3. That in the opinion of Applicant the entire proposed unorthodox gas proration unit may reasonably be presumed to be productive of gas.
4. That the drilling of an additional well on the unit would be contrary to good operating practices in the oil and gas industry and uneconomical.
5. That unless a gas proration unit of 320 acres, as requested herein, be permitted, Applicant and the parties named above will be deprived of the opportunity to recover their just share of gas from the reservoir.

6. That Applicant has requested waivers from Gulf Oil Corporation, Cities Service Oil Company, John Kelly, and Continental Oil Company for permission to form the proposed unorthodox gas proration unit and, as of the date of this application, Applicant has had no indication of the decision of these companies with respect to its request.

Therefore, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given, as required by law and the regulations of the Commission; and that upon final hearing the Commission issue its order approving the unorthodox gas proration unit as requested by Applicant in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Its Attorney

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

Subscribed and sworn to before me by Quilman B. Davis, Attorney of Aztec Oil & Gas Company, the above named Applicant, this 8th day of October, 1954.

Naomi D. Langman
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955